

§ 58-10-130. Unearned premium reserve.

- (a) The unearned premium reserve shall be computed as follows:
 - (1) The unearned premium reserve for premiums paid in advance annually shall be calculated on the monthly pro rata fractional basis.
 - (2) Premiums paid in advance for 10-year coverage shall be placed in the unearned premium reserve and shall be released from this reserve as follows:
 - a. 1st month – $1/132$;
 - b. 2nd through 12th month – $2/132$ each month;
 - c. 13th month – $3/264$;
 - d. 14th through 120th month – $1/132$ per month;
 - e. 121st month – $1/264$
 - (3) Premiums paid in advance for periods in excess of 10 years. During the first 10 years of coverage the unearned portion of the premium shall be the premium collected minus an amount equal to the premium that would have been earned had the applicable premium for 10 years of coverage been received. The premium remaining after 10 years shall be released from the unearned premium reserve monthly pro rata over the remaining term of coverage.
- (b) Repealed by Session Laws 2001-334, s. 16.1.
- (c) The case basis method shall be used to determine the loss reserve which shall include a reserve for claims reported and unpaid and a reserve for claims incurred but not reported. (2001-223, s. 11; 2001-334, s. 16.1.)